

**MINUTES
HURST CITY COUNCIL
WORK SESSION
TUESDAY, FEBRUARY 18, 2020**

On the 18th day of February 2020, at 4:30 p.m., the City Council of the City of Hurst, Texas, convened in Work Session at the Hurst City Hall, 1505 Precinct Line Road, Hurst, Texas, with the following members present:

Henry Wilson)	Mayor
Larry Kitchens)	Mayor Pro Tem
Bill McLendon)	Councilmembers
David Booe)	
Jon McKenzie)	
Cathy Thompson)	
Cindy Shepard)	
Clay Caruthers)	City Manager
Clayton Fulton)	Assistant City Manager
Malaika Marion Farmer)	Assistant City Manager
Rita Frick)	City Secretary
Paul Brown)	Managing Director of Finance

With the following members absent: none, constituting a quorum; at which time, the following business was transacted:

- I. Call to Order – The meeting was called to order at 4:30 p.m.
- II. Informational Items
 - Staff Update of Upcoming Calendar Items – City Manager Clay Caruthers provided an update of future calendar items.

Discussion and Update of Draft 2019 Comprehensive Annual Financial Report - BKD Auditor David Coleman briefed Council on the draft Comprehensive Annual Financial Report Year Ended September 30, 2019. Mr. Coleman provided a handout of his presentation including a financial overview, audit results, required communications and future accounting changes. Mr. Coleman provided a summary of the City's net financial position noting it is comparable to prior years with an unassigned fund balance of 25.6%, providing three months of reserves in the General Fund. City Manager Clay Caruthers noted the City's policy of 25% and the Special Projects balance, which provides a healthy fund balance. Mr. Coleman reviewed the Water and Sewer Fund noting revenue is down and expenses up creating a loss due to a wet

summer. Mr. Caruthers noted the City's annual rate analysis and that it is normal for this fund to fluctuate due to weather conditions. Also noted is the City's rate smoothing policy to keep citizens from having large fluctuations in the bills and the City's history of a more aggressive maintenance program to ensure a good infrastructure. Mr. Coleman also noted the Enterprise Fund has over \$10 million in unrestricted assets, which is half of the operating expenses. Also reviewed were the Pension and OPEB Plan funded status noting the City's liability, new accounting requirements and that TMRS is a healthy pension fund. Discussed were retiree benefits and the unique position the City is in by providing a trust fund. In response to Council questions, Mr. Caruthers stated the City has been very responsible financially in providing the trust and the long-term goal is to lower liability. Mr. Coleman reviewed the draft audit results for Fiscal Year 2019 noting a clean opinion and no findings on internal control over financial reporting. He reviewed required communications, which will be provided in the final audit letter that will cover significant estimates, quality of accounting principles, financial statement disclosures and auditor's judgments about the quality of client's accounting policies. Mr. Coleman reviewed future accounting changes, noting GASB Statement No. 84 and 87, which they will be looking at next year. He expressed appreciation for everyone involved with the audit and stated the process went smoothly. In response to Council questions, hotel/motel fund allowances were reviewed.

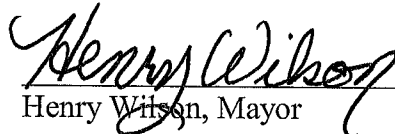
III. Adjournment – The Work Session adjourned at 5:21 p.m.

APPROVED this the 25th day of February 2020.

ATTEST:


Rita Frick, City Secretary

APPROVED:


Henry Wilson, Mayor